

BETTY T. YEE, CHAIRWOMAN STATE BOARD OF EQUALIZATION

Serving the 8.5 million Californians of the First Equalization District,
comprised of 21 counties along the northern and central California
coast, including the entire San Francisco Bay Area.



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QUARTERLY E-NEWSLETTER

Welcome to the 4th quarter 2010 edition of my e-newsletter. Happy New Year!

We began 2011 with optimism, welcoming Governor Jerry Brown back to Sacramento. I also extend congratulations and a warm welcome to former State Senator George Runner who was elected to represent the Second Equalization District.

Through the end of 2010, my office continued to assist business owners hit hard by the economic recession by providing comprehensive outreach, education, and assistance to my constituents. I spent much of last year meeting with organizations throughout California to discuss the economic outlook and state budget. I also had the opportunity to visit each of the 21 counties of my district, listening to the concerns of taxpayers. My district visits with over 25 community groups, farm bureaus, chambers of commerce, and tax organizations were a personal highlight for me this past year. I gained so much insight from these organizations, encouraging me to continue our work together.

We enter 2011 coming out of one of the most difficult fiscal years in California's history, facing a number of challenges ahead. There is much work to be done to restore California's luster as the golden state. The economy remains weak with signs of a slow recovery, with the unemployment rate and housing foreclosures filings forecasted to remain high in 2011. However, I am thankful and excited to embark upon the challenges and opportunities in the New Year.

I want to extend my sincere gratitude to my constituents for allowing me to continue my work on the Board for a second term. There is no higher honor than public service, and I take very seriously the trust and confidence the voters in the First District have placed in my leadership. I am honored to continue serving on the Board of Equalization to do my part to keep the doors of opportunity open for every woman, man, and child in California to succeed and thrive, as these doors have been open for many generations past. This will require, among other things, strong stewardship of our tax dollars. I look forward to continuing my leadership in this regard.

Sincerely,

BETTY T. YEE
Chairwoman

CALIFORNIA ECONOMIC UPDATE

ECONOMIC OUTLOOK AND BUDGET UPDATE

On January 10th, Governor Brown unveiled a bold budget proposal to close the state's \$26.4 billion budget shortfall by cutting \$12.5 billion in state spending, coupled with proposed tax extensions and realignment of state programs to local governments.

The proposed budget maintains funding for K-12 schools at current-year levels, but cuts University of California and California State University funding by \$1 billion. It would also reduce service levels for safety net programs by increasing premiums and co-payments for parents with uninsured children, cutting the length and size of cash grants to low-income families, providing fewer hours of service for In-Home Supportive Services recipients, as well as proposing other cuts



affecting physically and developmentally disabled Californians, foster care youth, and persons with mental illness.

The budget would also roll back business tax breaks and eliminate state support for redevelopment, giving local governments new authority to raise revenue to support redevelopment projects at the local level. The plan would also realign core public safety functions by shifting them to local government responsibility and funding the shift by extending taxes enacted as part of the 2009 State Budget.

"This is a bold, painful, but balanced proposal," said Yee. "I look forward to working with Governor Brown to advance his restructuring agenda to promote efficiency and accountability, overcome our state's chronic structural deficit, and protect our economy and social safety net."

The Governor's Budget plan assumes that all statutory changes will be adopted by the legislature in March, allowing the necessary ballot measures to be put before the voters at a June special election.

CALIFORNIA'S LARGEST SALES TAX DELINQUENCIES FOR FOURTH QUARTER 2010

The list of California's largest unpaid sales and use tax delinquencies has been updated at www.boe.ca.gov. The BOE replaced 22 additional names on its list of 250 largest delinquent debtors. Those added to the list have unpaid tax totaling \$72 million in sales tax owed.

→ Since the inception of this program, 31 qualifying taxpayers whose account balances represent a total of \$31.4 million in sales and use tax liabilities have come forward to take care of their debts. 21 through installment payment agreements and 10 by making payment in full. Of the \$31.4 million in liabilities, \$4.1 million has been collected to date.

Since January 1, 2007, state law mandates the BOE to post a list of the largest 250 tax delinquencies of more than \$100,000 online after notifying the debtors that their tax liabilities will be disclosed to the public. The taxpayers identified to be listed are notified 30 days before their information is posted.

The list, updated quarterly, currently includes debtors with \$393 million in tax liabilities. Of that amount, \$83 million in liabilities are jointly owed by more than one taxpayer on the list. Tax liabilities under appeal, litigation, or bankruptcy proceedings are not included.

For a complete list of the 250 largest sales and use tax debtors in California that owe a total of \$393 million in tax liabilities, visit www.boe.ca.gov/cgi-bin/delinq.cgi.

LOCAL SALES TAX ALLOCATIONS REMAIN MOSTLY FLAT

November sales tax allocations to cities and counties across the state remained mostly flat compared to those made a year ago.

→ November allocations increased for 13 jurisdictions; were negatively adjusted for 42 jurisdictions; remained flat for 678 jurisdictions; and were zero for 35 jurisdictions.

→ BOE makes monthly allocations to 768 local jurisdictions based on a formula that includes historical allocations, growth factor adjustments to the base, transfers and audits, and actual cash receipts.

State law provides for BOE administration of sales and use taxes levied at the local level. The BOE allocates local revenues from these taxes in advance on a monthly basis with quarterly adjustments. Its review of statewide cash receipts used for calculating local allocations for all of the third quarter of 2010 showed an approximate eight percent decline.

For jurisdictions showing an increase in revenues exceeding five percent, their allocations were increased by five percent over last November. Jurisdictions showing a loss in revenues exceeding five percent received five percent less in their allocation. Jurisdictions with increases or decreases of less than five percent received no increase.

Beginning in the fourth quarter of 2008, the BOE made broad-scale reductions in payments to local taxing jurisdictions due to an unprecedented drop in taxable sales stemming from the recession.



UNDER THE INFLUENCE OF RECESSION: BOE ANSWERS THE QUESTION, “DO CALIFORNIANS DRINK MORE DURING AN ECONOMIC DOWNTURN?”

The November 2010 edition of the BOE's Economic Perspective newsletter examines alcohol consumption data during the severe recessions of the last 40 years, in: 1970, 1973, 1980, 1981, 1990, 2001 and 2008. The Economic Perspective is a quarterly publication produced by the BOE that looks at economic factors of interest or that influence California economic activity.

The BOE report notes several ways consumers would be expected to react during recessions. The most consistent

response, occurring in four of the seven recessions studied, was lower growth in on-premises alcohol consumption.

The November Economic Perspective also notes that in terms of national spending patterns on alcohol, total U.S. spending rose 2.4 percent prior to the 2008-09 recession. In contrast, U.S. spending on alcohol declined by 1.7 percent during the 2008-09 recession. The full report can be viewed at: <http://www.boe.ca.gov/news/pdf/ep-11-10.pdf>.



WHAT'S NEW AT THE BOE?

CALIFORNIA ADOPTS IMPROVED CIGARETTE TAX STAMP

Improved high-tech tax stamps with a new design will soon be available and affixed to packs of cigarettes sold in California. The BOE has approved the use of this updated stamp to further reduce the trafficking of counterfeit cigarettes and related excise tax evasion.

The upgraded tax stamp introduces a number of new security features, including special inks and a counterfeit and tamper-resistant design. The newly designed stamps will help simplify authentication and discourage tax stamp counterfeiting.

This is an important improvement since cigarette-related tax evasion costs our state an estimated \$182 million annually. Retailers and consumers can expect to see the new tax stamps in use by January 1, 2011.



EMERGENCY RELIEF AVAILABLE FOR TAXPAYERS IN SANTA BARBARA AND SAN LUIS OBISPO COUNTIES DUE TO RAINSTORMS

Recognizing the destruction by the severe rainstorms last month, former Governor Arnold Schwarzenegger declared a state of emergency on December 21 in the counties of Kern, Orange, Riverside, San Bernardino, San Luis Obispo, and Tulare. Subsequently, then-Lt. Governor Abel Maldonado declared a state of emergency December 23 in the counties of Kings, Los Angeles, and Santa Barbara for rainstorms that began December 18.

Under these emergency declarations, extensions for filing, audits, billing notices,

assessments, and relief from subsequent penalties are available for those individuals and/or businesses affected by the rainstorms.



→ Relief Available: Emergency relief for taxpayers can include extensions for filing returns or to make payments, relief of interest and penalties, and expediting copies of BOE tax records. Any taxpayer who cannot meet tax filing and payment deadlines due to the storms may apply. The BOE may also extend these relief provisions to include delays caused by disruption to the U.S. Postal Service or other private mail and freight companies.

→ How to Apply: Taxpayers must fill out forms: BOE 468, Request for Extension and/or BOE 27, Penalty and Interest Relief for Disaster Victims. Both forms are available on the BOE website at www.boe.ca.gov. You must also include a statement, signed under penalty of perjury, stating the cause for the late filing – this should include specific information about how the rainstorms impacted your ability to report your taxes on time.

NEW FEE ON DELINQUENT TAXPAYERS EFFECTIVE JANUARY 1, 2011

Some California businesses may be assessed a new collection cost recovery fee on past due liabilities beginning in 2011, pursuant to action by the Legislature and the Governor last October. More than 90,000 businesses will be notified of this potential fee beginning January 1, 2011.

Under this recently enacted law, the BOE must collect a fee on any person failing to pay amounts due and owing. The fee applies to most taxes and fees collected by the BOE and is intended to cover costs incurred in collecting payment owed. The BOE will notify applicable taxpayers of the

potential fee by mailing a notice explaining that the continued failure to pay could result in collection action and potential assessment of the collection cost recovery fee. The BOE could potentially assess a fee on each liability greater than \$250 that is unpaid for more than 90 days. The fee amount, adjusted annually to reflect the cost of collecting unpaid liabilities, ranges from \$185 to \$925 for calendar year 2011.

Taxpayers may avoid the fee by paying their liability in full before 90 days from the date the notice expires. Taxpayers unable to pay in full now may still avoid the fee if

they qualify for, agree to, and complete an installment payment plan, which allows for payment of a tax, fee, or surcharge debt in smaller, more manageable amounts. Also, if the BOE finds that a taxpayer's failure to pay is due to reasonable cause and circumstances beyond one's control, the BOE may relieve the taxpayer of the collection cost recovery fee.

The BOE estimates the fee will generate \$5.2 million from additional collection of taxes, fees, and surcharges for the remainder of the 2010-11 fiscal year and \$19.4 million to \$22.6 million annually beginning in 2011-12.

Fee Amounts Effective January 1, 2011

| Liability Size | Liability Amount | Fee Amount |
|----------------|--------------------------|------------|
| Small | \$250.01 - \$2,000.00 | \$185 |
| Medium | \$2,000.01 - \$50,000.00 | \$550 |
| Large | \$50,000.01 and greater | \$925 |

BOE CREATES NEW APP FOR IPHONE

The BOE has launched a new mobile application that allows users to access BOE tax information on-the-go from their iPhone. "This new iPhone app is just one way the BOE is moving forward using information technology," said Chairwoman Yee. "We are committed to giving taxpayers easy access to the information they need."

The free BOE App for iPhone is now available to download on Apple's iTunes App Store.

With one click, taxpayers can find the location of a BOE office on a map or give the office a call, as well as get turn-by-turn driving directions.

To verify a permit, one may simply type in the permit number, and with a tap of a button, find out if the permit is valid. The mobile app provides a free, customized interface to BOE tax tools and information.



CALRECYCLE REDUCES ELECTRONIC WASTE RECYCLING FEE RATES BEGINNING JANUARY 1, 2011

The Director of the Department of Resources, Recycling, and Recovery (CalRecycle) approved a decrease for all Covered Electronic Devices (CEDs) effective January 1, 2011.

The U.S. Environmental Protection Agency estimates that more than 2.5 million tons of electronic waste (eWaste) ends up in landfills across the country every year. Unless it is properly recycled and disposed of, accumulated electronic waste poses a hazard to human health and our natural environment as lead, mercury, and other hazardous substances may leak from electronic devices into the environment.

California is one of the first states to address the recycling and disposal of eWaste by enacting the Electronic Waste Recycling Act (Act) of 2003. To ensure safe and environmentally sound disposal

of video display devices, the Act requires California consumers pay a one-time fee depending on the size of the viewable screen, when they purchase or lease a computer monitor, laptop computer, television, portable DVD player, or other "covered electronic device" (CED) with a viewable screen larger than four inches when measured diagonally. The proceeds from the eWaste fee pay qualified eWaste collectors and recyclers to properly dispose of discarded electronic devices.

The BOE administers the eWaste program, and is responsible for collection of the eWaste fee. The Department of Toxic Substance Control (DTSC) determines which products qualify as CEDs. If you have any questions regarding CEDs, please visit their website at www.dtsc.ca.gov, or call 800-728-6942.

New rates are as follows:

| SCREEN SIZE - MEASURED DIAGONALLY | FEE |
|---|---------|
| More than 4 inches, less than 15 inches | \$ 6.00 |
| 15 inches or more, less than 35 inches | \$ 8.00 |
| 35 inches or more | \$10.00 |

BOE RESOURCES AND NEWS

STATEWIDE COMPLIANCE AND OUTREACH PROGRAM (SCOP) UPDATE

The BOE sent letters to more than 15,400 retail businesses in nine different zip code areas statewide, notifying them of upcoming visits by BOE specialists in the 4th quarter of 2010.

The affected zip codes receiving letters this month are: 90280 (Southgate); 90660 (Pico Rivera); 91352 (Sun Valley); 93063 (Simi Valley); 93103 (Santa Barbara); 94501 (Alameda); 94901 (San Rafael); and 95661 and 95678 (Roseville).

These visits are part of the SCOP that was launched in September 2008. BOE specialists have visited more than 183,000 businesses statewide, with 278 zip codes receiving notifications.

What Happens During a SCOP Visit?

The BOE specialists conduct checks for seller's permits of all storefronts and other known business locations. When the specialists visit, business owners are asked business-related questions and are NOT asked for personal financial information.

Registered retailers, as well as service industry businesses, are checked by BOE experts for appropriate permits and licenses, this is not an audit. Those businesses found to be out of compliance will be given instructions on how to register with the BOE and given information about other necessary licenses.

NEW BOE USE TAX ESTIMATE ANNOUNCED

The BOE released its updated 2009-10 use tax estimate on December 8, 2010, Electronic Commerce and Mail Order Sales. Each year, \$1.145 billion dollars in use tax owed by Californians goes unpaid. The unpaid sales and use tax liability owed by the average California household is \$61 per year and \$102 per year for each California business.

"The dollars lost to California in unpaid use tax adversely affect the State's publicly funded programs and affect all Californians. Paying use tax not only ensures revenues to fund vital public services such as law enforcement, health care, transportation, and many others, but also ensures online retailers do not have an unfair competitive advantage to retail establishments physically located in California," said Chairwoman Yee.

Enacted in 1935, use tax is owed when a consumer makes a purchase from an out-of-state retailer who is not required to collect California tax. That means online, catalog, and other out-of-state purchases are not tax-free, as some consumers believe. When the out-of-state retailer does not collect the tax, the consumer is responsible to make the use tax payment directly to the state. The use tax owed is the same as the sales tax that would be due if the purchase were made from an in-state retailer. With online and catalog sales up for the holiday season, Chairwoman Yee reminded consumers to save receipts, calculate the use tax due, and make the payment to the state.

The most convenient way to pay the use tax to the BOE is on the CA income tax return (Forms 540, 540A, or 540EZ) by noting the amount owed on the line marked "Use Tax" and making the payment regardless of whether any income taxes are due. Consumers may also file directly with the BOE as a use tax consumer by filling out form BOE 79-B (visit <http://www.boe.ca.gov/pdf/pub79b.pdf>).

BOARD OF EQUALIZATION WARNS OF PHISHING SCHEME

The BOE warned taxpayers of a possible e-mail phishing scheme where the e-mail appears to be from a tax agency and states that the taxpayer's federal Electronic Funds Transfer (EFT) payments were not transmitted successfully. The e-mail then directs the taxpayer to another website for additional information.

Note: The e-mail is not from a tax agency, neither the federal IRS, nor the California BOE. Several BOE taxpayers have notified BOE that they are receiving these emails. Taxpayers should not click on the link or respond to the sender as it is likely a phishing scam.

If taxpayers have a question about a BOE EFT payment, they may call the BOE Taxpayer Information Section at 800-400-7115 or the BOE's EFT Helpline at 916-327-4229 to inquire if their payment has been transmitted successfully. IRS is aware of this scam and has information available at: <http://www.irs.gov/privacy/article/0,,id=226755,00.html>

ARE YOU READY FOR TAX SEASON?

GETTING YOUR RECORDS READY

April 18th, the date your income tax returns must be postmarked to the Internal Revenue Service (IRS) and Franchise Tax Board (FTB), is just around the corner. Although returns are generally due on April 15th, this date is a legal holiday in Washington, DC (Emancipation Day), and the IRS has announced that taxpayers

nationwide have until the following business day, Monday, April 18th, to timely file returns and pay taxes. California also will accept as timely, tax returns and payments received on April 18th.

Start gathering your records now, and prepare your returns early!

Gathering Your Records – By January 31st, you should have received the following records that are most, and maybe all, of what you will need to complete your federal 1040 and California 540 tax returns.

- W-2 statements from employers reporting wage income and federal and state tax withheld.
- 1099-MISC statements reporting payments to independent contractors.
- 1099-INT statements from financial institutions showing interest income.
- 1099-DIV statements from financial institutions or companies showing dividend income.
- 1099-B statements from brokerage or mutual fund companies showing capital gains and losses as well as the acquisition cost of mutual fund shares or stock shares.
- Form 1099-G postcard from the FTB showing the amount of any state tax refund received.
- Form 1099-G showing unemployment compensation received.
- Form 1099-R statements showing pension and retirement plan distributions and tax withheld.
- Form SSA-1099 showing Social Security benefits received.
- Form 1098 statements showing mortgage interest paid.
- K-1 schedules showing partnership and S corporation income.
- Other records you may need include receipts of major non-taxed online or out-of-state purchases made in 2010.

FILING YOUR TAX RETURNS

File your federal and California returns by April 18, 2011. If you need an extension, you should file IRS Form 4868 at this time, and you will automatically have until October 15th to file both your federal and California returns.

If you file for an extension, any income tax you owe still must be paid by April 18th with IRS Form 4868 and FTB Form 3519.

E-filing – Millions of taxpayers prepare and e-file their returns directly to the IRS and the FTB. For more information about the Free File program for your federal return, visit <http://www.irs.gov>. For more information about the CalFile or the ReadyReturn programs for your state return, visit <http://www.ftb.ca.gov>.

Reporting and Paying Use Tax – The California personal income tax return provides a line to report the amount of purchases of merchandise from out-of-state retailers, particularly over the Internet, where the seller does not collect California sales tax because the seller does not have a physical presence in the state. Californians should pay the use tax owed on these items directly to the state on the use tax line of their personal income tax return.

For more information about reporting and paying use tax, visit: <http://www.boe.ca.gov/sutax/usetaxreturn.htm>.

CLAIMING THE FEDERAL EARNED INCOME TAX CREDIT (EITC) AND AVAILABLE ASSISTANCE

More workers could be eligible for a special federal tax credit this year and not know it. As a result, they may overlook claiming the Earned Income Tax Credit, or EITC, which can put anywhere from \$2 to more than \$5,600 into their pockets.

People move into and out of EITC eligibility based on changes in their earnings, their parental status, or their marital status. Many will qualify for the first time this year due to changes in their incomes and financial situations.

Anyone who earned \$48,362 or less from wages, self-employment, or farming in 2010 may qualify. Eligible workers can

get their EITC only if they file federal income tax returns – even if they are not otherwise required to file – and specifically claim the credit.

Visit the IRS website to learn more about EITC eligibility and claiming the credit <http://www.irs.gov/individuals/article/0,,id=130102,00.html>; or visit a volunteer income tax assistance (VITA) site near you.

Obtaining Volunteer Income Tax Assistance – Starting February 1, more than 1,000 centers statewide will open through the Volunteer Income Tax Assistance (VITA) and Tax Counseling

for the Elderly (TCE) programs. These sites offer free help with IRS and FTB tax return preparation. Some offer services in Spanish, Chinese, Vietnamese, and Korean. For information on locations throughout California, visit ftb.ca.gov and click on the free filing assistance link. You can also contact the FTB toll-free at 1-800-852-5711 to find a location near you.



KEEPING YOUR RECORDS AFTER FILING YOUR RETURNS

Be sure to keep copies of your tax returns for at least four years, along with substantiation of any credits and deductions claimed and copies of W-2 and similar forms. Keep records of the cost basis for mutual funds, stocks, and real property until you dispose of them. The same applies for records of

improvements to your home and records of improvements, depreciation schedules, repairs, and rents on investment property.

For more information or free resources to assist you with your federal or state filing requirements, visit the IRS website at www.irs.gov or the FTB website at www.ftb.ca.gov.



IN THE COMMUNITY

AS A PUBLIC OFFICIAL, CHAIRWOMAN YEE TAKES PRIDE IN SPENDING TIME WITH HER CONSTITUENTS, ESPECIALLY SUPPORTING THE WORK OF COMMUNITY ORGANIZATIONS DEDICATED TO EXPANDING OPPORTUNITIES FOR ALL.

Chairwoman Yee gave welcoming remarks at the International Committee of Artists for Peace “A Century of Women as Peacemakers” exhibition opening ceremony in San Francisco on October 4th. She spoke to the contributions of women as activists working to achieve peace around the globe. The International Committee of Artists for Peace is an organization utilizing the arts to promote a more peaceful society. The “A Century of Women as Peacemakers” exhibition celebrated the contributions of women from diverse backgrounds from the United States and abroad. Chairwoman Yee remarked, “Every moment of every day, women across the world are on the

ground involved in peacemaking activities – in Western countries to communities stricken by violence. This exhibition is a tribute to all women peacemakers, not just those who have made headlines.”

On October 7th, Chairwoman Yee addressed the Hispanic Business Chamber of Commerce of Marin during their Hispanic Heritage Month lunch mixer. She discussed California’s economy, State Budget challenges, and BOE programs to assist small businesses.

The Armenian American Chamber of Commerce, Los Angeles Chapter, held their “Women in Business Excellence Luncheon” on October 16th. Chairwoman Yee attended and delivered a welcome

address, congratulating the remarkable women who were honored. She observed, “The history of Armenians has been one in which the entrepreneurship has played an important role. These women with diverse business backgrounds honor this historical experience by serving as models of excellence in their respective fields.” The Armenian American Chamber of Commerce is the largest Armenian business organization in the United States.

Later that month on October 24th, the Armenian National Committee (ANC) of Burbank welcomed over 300 individuals for its second annual banquet. Chairwoman Yee was pleased to take part in this annual

Continued on following page ...



A Century of Women as Peacemakers



A Century of Women as Peacemakers



Hispanic Chamber of Marin

Continued from previous page ...

event where national and local leaders, and ANC activists were recognized for their contributions to the Armenian American community.

On November 14th, Chairwoman Yee addressed honored students of the LACER After School Program at its 15th Annual Super Star Celebration in Los Angeles. She paid tribute to LACER's dedicated community partners and the outstanding students the organization supports. Chairwoman Yee remarked, "This is an excellent public-private partnership that keeps opportunities open for students aspiring in the performing arts."

On November 18th, AnewAmerica held its 11th Anniversary Gala and Green Micro Business Expo in Oakland. This event also marked the retirement of Ms. Sylvia Rosales-Fike, the organization's founder and, at that time, President and CEO. AnewAmerica partners with universities, and financial institutions to support new entrepreneurs. Chairwoman Yee noted, "Through Sylvia's vision, AnewAmerica has provided training and support to hundreds of new entrepreneurs, helping them to realize economic self-sufficiency. She will be missed."

Chairwoman Yee attended the Council on American-Islamic Relations (CAIR) Annual Leadership Banquet held on November 20th. CAIR's mission is to

enhance the understanding of Islam within American society, protect civil liberties, empower American Muslims, and encourage dialogue to build coalitions that promote justice and mutual understanding. "I am honored support an organization so dedicated to deepening respect and understanding within and among all communities," Chairwoman Yee said.

Chairwoman Yee attended the Saban Free Clinic's 34th Annual Dinner in Los Angeles on November 22nd. For decades, the Saban Free Clinic has served the community by offering comprehensive and affordable health care to those who are most vulnerable. "The Saban Free Clinic has continually served as a vital resource to those most undeserved in the Los Angeles region. I am glad to celebrate and support its important work," Chairwoman Yee stated.

On December 12th, Chairwoman Yee and her staff attended the 50th Annual Moose Feed Luncheon, a proud San Francisco tradition celebrating the contributions of working men and women. Approximately 1,500 individuals attended the highly anticipated lunch, including many community leaders and elected officials from all levels of government. Keeping with tradition, the lunch featured an elk stew. The game had been hunted earlier that week by one of the event's founding families.



50th Annual Moose Feed



50th Annual Moose Feed

SPREADING HOLIDAY CHEER

On November 30th and December 1st, Chairwoman Yee visited the four BOE district offices in the First Equalization District to wish all BOE staff a happy holiday season. She thanked the District staff and administrators for their continued hard work and dedication to taxpayers and the BOE throughout this stressful and challenging economic time. Chairwoman Yee answered questions on the State Budget and proposals potentially affecting State employees.



District Office



District Office

On December 13th, Chairwoman Yee and her staff spread some holiday cheer to those less fortunate by taking time to volunteer. The Yee Team repainted the built-in chalk boards at the new Sexual Assault and Domestic Violence Center in Woodland, located in Yolo County. The new center is being established in an historic building, and historic preservation laws bar removal of current building elements, such as the chalkboards. These boards eventually will host murals specially designed for the Center, those in the interior will be used for classroom activities for families and children. The repainting project was part of on-going renovation efforts. "This is what the holiday season is all about – dedicating time to serving those in need," Chairwoman Yee said.



Holiday Volunteering



Holiday Volunteering

GASOLINE CONSUMPTION WATCH

CALIFORNIA GASOLINE CONSUMPTION ROSE 0.8% IN THIRD QUARTER 2010

California gasoline consumption increased 0.8 percent in the third quarter, posing a 1.15 percent increase in September, compared to the prior year. Diesel consumption increased 0.2 percent in September compared to last year.

"Gas prices for the first nine months of 2010 have been reasonably stable, fluctuating less than 20 cents," said Chairwoman Yee. "The slight increase in gasoline use we've seen in the last couple of quarters is consistent with the mild economic growth we have been experiencing and a hopeful sign for the new year."

Gasoline consumption increased 0.8 percent in the third quarter of 2010 when Californians consumed 3.80 billion gallons of gasoline compared to the 3.77 billion gallons of gasoline used in the third quarter 2009. The average price of gasoline at the pump in California during the third quarter of 2010 was \$3.14, a 3.0 percent increase over the average price of \$3.05 per gallon in the third quarter of 2008.

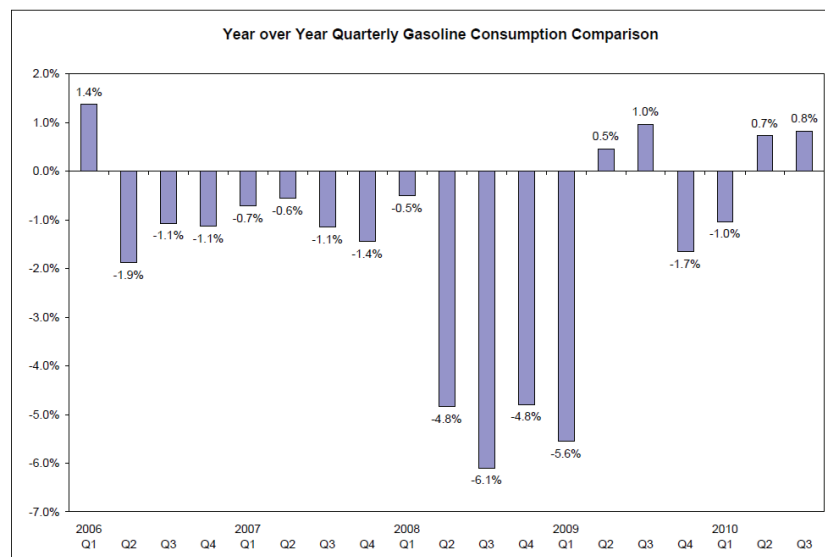
In September 2010, gasoline consumption increased 1.5 percent when Californians used 1.24 billion gallons of gasoline compared to 1.22 billion gallons consumed in September 2009. The average price of gasoline at the pump in California in September 2010 was \$3.06 per gallon,

a 3.5 percent decrease compared to the gasoline price per gallon of \$3.17 in September 2009.

Diesel consumption increased 2.3 percent in the third quarter of 2010 when Californians consumed 669 million gallons of diesel compared to 654 million gallons of diesel fuel consumed in the third quarter of 2009. However, there was a 9.6 million gallon refund in July 2009 and a 19.3 million gallon credit in August 2009. This means the 2.3 percent quarterly gains would become a 2.0 percent quarterly loss without the credit/refund. The average

price of diesel fuel in California during the third quarter 2010 was \$3.14, an 11.7 percent increase compared to the third quarter of 2009 when the price per gallon of diesel fuel in California was \$2.81.

Diesel sold in California during September 2010 totaled 245 million gallons compared to the September 2009 total of 244 million gallons, which is a 0.2 percent increase. California diesel prices were \$3.14 per gallon in September 2010, which is a 10.6 percent increase compared to September 2009's average price of \$2.84 per gallon of diesel.



UPCOMING EVENTS

The following outreach and education events are being offered free of charge in the First Equalization District from February 2011 through March 2011. Please visit: www.boe.ca.gov/cgi-bin/tax_class.cgi to obtain detailed information about seminar and conference topics, times, and locations.

| | |
|--------------|--|
| February 3: | Basic Sales and Use Tax Seminar in English (San Francisco) |
| February 17: | Basic Sales and Use Tax Seminar in English (San Jose) |
| March 3: | Basic Sales and Use Tax Seminar in English (San Francisco) |
| March 23: | Basic Sales and Use Tax Seminar in English (Santa Rosa) |
| March 24: | Basic Sales and Use Tax Seminar in Chinese (San Jose) |
| March 29: | Basic Sales and Use Tax Seminar in English (San Jose) |